

**PART IV - REPRESENTATIONS AND INSTRUCTIONS**

**SECTION M**

**EVALUATION FACTORS FOR AWARD**

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## SECTION M

### **EVALUATION FACTORS FOR AWARD**

#### **M.1 EVALUATION OF PROPOSALS**

- (a) This acquisition will be conducted pursuant to the policies and procedures in Federal Acquisition Regulation (FAR) Part 15 and Department of Energy Acquisition Regulation (DEAR) Part 915. DOE has established a Source Evaluation Board (SEB) to evaluate the proposals submitted for this acquisition.
- (b) The Government intends to evaluate proposals and award **to the responsible offeror, two cost-plus-award-fee** contracts. The offeror's initial proposal should contain the offeror's best terms from both a technical and cost standpoint.
- (c) A proposal will be eliminated from further consideration before the initial ratings if the proposal is so grossly and obviously deficient as to be totally unacceptable on its face. For example, a proposal will be deemed unacceptable if it does not represent a reasonable initial effort to address itself to the essential requirements of the RFP, or if it clearly demonstrates that the offeror does not understand the requirements of the RFP. In the event that a proposal is rejected, a notice will be sent to the offeror stating the reason(s) that the proposal will not be considered for further evaluation under this solicitation.
- (d) The instructions set forth in Section L of this Request for Proposal (RFP) are designed to provide guidance to the offeror concerning the documentation that will be evaluated by the SEB. The offeror must furnish specific information in its response to address the evaluation factors in detail and as instructed. Cursory responses that merely repeat or reformulate the Statement of Work are not acceptable.
- (e) Prior to award, a finding will be made regarding whether any possible Organizational Conflicts of Interest exists with respect to the apparent successful offeror or whether there is little or no likelihood that such conflict exists. In making this determination, the Contracting Officer (CO) will consider the representation required by Section K of this solicitation.
- (f) For the purpose of evaluating information on an offeror's experience and past performance, an offeror shall be defined as those companies that have established business arrangements or relationships for this solicitation, including subcontractors that will perform major or critical aspects of the Statement of Work (with subcontracts equal to \$10 million or more.)
- (g) For the purpose of evaluating offeror's experience and/or past performance, the SEB may contact some or all of the references provided by the offeror, and may solicit past performance information from other available sources. These include Federal

- Government electronic databases, readily available government records (including pertinent prime contracts), and other sources other than those identified by the offeror.
- (h) Any exceptions or deviations to the terms and conditions of the contract may make the offer unacceptable for award without discussions. If an offeror proposes exceptions to the terms and conditions of the contract, the Government may make an award without discussions to another offeror that did not take exception to the terms and conditions of the contract.
  - (i) If a competitive range is established pursuant to FAR 15.306(c), Offerors are hereby advised that only the most highly rated proposals deemed to have a reasonable chance for award of a contract may be included in the competitive range. Offerors that are not included in the competitive range will be promptly notified.

## M.2 BASIS FOR CONTRACT AWARD

- (a) DOE intends to award, **two cost-plus-award-fee contracts to the responsible offeror** whose proposal is responsive to the solicitation and determined to be the best value to the Government. Selection of the best value to the Government will be achieved through a process of evaluating the strengths and weaknesses of each offeror's proposal in accordance with the Technical Evaluation Factors.
- (b) In determining best value to the Government, the Technical Evaluation Factors are significantly more important than evaluated price. Evaluated price is the Government-determined probable cost for transition, basic term of the contract and options plus the proposed total available award fee. The Government is more concerned with obtaining a superior technical proposal than making an award at the lowest evaluated price. Thus, the closer or more similar in merit that the offerors' technical proposals are evaluated to be; the more likely the evaluated price may be the determining factor in selection for award. However, the Government will not make an award at a price premium it considers disproportionate to the benefits associated with the evaluated superiority of one technical proposal over another. Evaluated price will not be point scored. The Government will assess whether the strengths and weaknesses between or among competing technical proposals indicate superiority from the standpoint of:
  - (1) What the difference might mean in terms of anticipated performance; and
  - (2) What the evaluated price to the Government would be to take advantage of the difference.

## M.3 OVERALL RELATIVE IMPORTANCE OF TECHNICAL EVALUATION FACTORS

The proposals will be adjectivally rated using information submitted by the offerors on the four factors below:

- (a) Technical Approach
- (b) Business Management
- (c) Key Personnel
- (d) Past Performance

Within this order of importance, Technical Approach is significantly more important than all other factors. Business Management and Key Personnel are equal and each factor is more important than Past Performance.

#### **M.4 TECHNICAL EVALUATION FACTORS/CRITERIA**

##### **(a) TECHNICAL APPROACH** (Evaluated based on written proposal)

The offeror's Technical Approach will be evaluated for depth, quality, completeness and effectiveness. DOE will assess how well the approach demonstrates an understanding of and ability to optimize the requirements of the Statement of Work and conveys a high level of confidence in the offeror's ability to perform successfully. DOE will evaluate the proposed Work Breakdown Structure (WBS) for correlation to the proposed technical approach and SOW.

The Offeror shall prepare and deliver an Operations Transition and Start-up Plan (OTSP), with its proposal which shall guide the first two phases of contract activities. DOE will evaluate whether the offeror's OTSP has sufficient detail and content to be implemented at time of award. The plan shall include two sections:

The first section of the OTSP shall cover the Mobilization and Transition Phase. This phase will be evaluated for the effectiveness of the offeror's approach, plan and schedule, for transitioning operation of the conversion facilities including the cylinder surveillance and maintenance activity and its general comprehensiveness and specific effectiveness to accomplish the major activities listed in the Statement of Work. DOE will evaluate whether offeror's Mobilization and Transition Phase assures continuity of work without disruption and provides for an orderly transfer of resources, responsibilities and accountability from the UDS Incumbent Contractor.

The second section of the OTSP shall cover the Operations, Testing and Start-up Phase. DOE will evaluate the sequence of work activities to determine if a safe, efficient execution of work scope is planned. DOE will evaluate the offeror's approach to the Readiness Assessment (RA), including utilization of the UDS Incumbent Contractor's Operational Readiness Review (ORR) information and coordination with the DOE ORR and RA teams, conducting hot functional testing upon DOE approval of the RA, progressing from hot functional testing into partial conversion operations, and ramping-up conversion operations from partial conversion operations to achieving designed operating capacity. DOE will evaluate the

effectiveness and thoroughness of offeror's proposed approach to start-up of the conversion facilities, and critical path activities focused on the achievement of designed operating capacity by the end of the Operations, Testing and Start-up Phase.

Conversion Operations: DOE will evaluate the proposed approach and schedule for conversion operations, the proposed quantity of DUF6 to be processed on an annual basis and over the term of the contract, shift operations, manpower projections and consideration for maintenance and scheduled facility outages. DOE will evaluate the offeror's approach and feasibility to optimize conversion operations throughput. Use of Conduct of Operations principles throughout the conversion and cylinder management operations will also be evaluated.

DOE will evaluate offeror's proposed approach for cylinder yard operations which includes implementation of the cylinder management plan, sequencing and staging of cylinders for conversion, cylinder pre-conversion suitability determinations (visual inspections, NDA analysis, etc.), segregation of cylinders based on assay, and any unique cylinder management methods.

DOE will evaluate the approach for management and disposition of conversion and non-conversion products and secondary wastes including: plans for identification, characterization and certification of wastes, waste handling and loading, transportation by rail or truck, process for ultimate disposition, and waste minimization and pollution prevention

DOE will assess the level at which the offeror's Technical Approach accurately and thoroughly identifies and plans to mitigate risk and the level of assumptions it employs for all aspects of the Technical Approach.

**(b) BUSINESS MANAGEMENT** (Evaluated based on written proposal)

DOE will evaluate the depth, quality, completeness and effectiveness of the offeror's Business Management approach and assess how well it proposes to utilize resources to execute its Technical Approach and demonstrates the offeror's ability to use these systems.

Organizational Approach: The DOE will evaluate how well the offeror's organization and business systems support implementation of the Technical Approach proposed and provide control and accountability for contract performance. In particular, DOE will consider the allocation of resources at the multiple sites and authority level of managers, managerial span of control, suitability of the management procedures for monitoring and controlling subcontractor performance, and access to corporate resources.

DOE will evaluate the ability of the offeror's organizational approach and business systems to establish and maintain technical, schedule and cost baselines and ensure accurate, timely, and properly controlled changes and reporting; this will include how

well the Earned Value Management System (EVMS) conforms to the requirements in Section H.

DOE will assess what level of contract performance support it can expect from the offeror's corporate capability and the ease and frequency of its expected usage. This will focus on corporate governance, routine corporate oversight, and the level of corporate involvement in contract execution.

DOE will evaluate the relevant experience of the offeror and each of its major subcontractors (with subcontracts valued at \$10 M or more) with respect to the type of work proposed and the portion of the overall work being performed by each entity. Relevant experience is work similar in size, scope, complexity, and/or risk to that described in Section C. If the offeror is a newly formed entity, the experience of the parent organizations or LLC members will be evaluated. DOE will also evaluate the offeror's experience in using corporate capability to provide support and problem-solving resources, working with stakeholders, and regulatory agencies at the state and federal levels, and managing and integrating regulatory requirements or agreements. DOE will also consider the offeror's approach for proactively interfacing with other DOE site contractors, the United States Enrichment Corporation (USEC), and other individuals or entities which are necessary for start-up success.

Information for contracts completed within the last five years or current contracts, which involve relevant work to this solicitation, will be considered. For each contract reported, DOE will consider the extent of relevant and combined chemical and nuclear experience for operational start-up and testing, routine operations, materials management, low-level waste and mixed low-level waste management, transportation of materials, and environmental, safety, and health programs.

The decision process regarding use of subcontractors and approach for managing subcontractors will be evaluated. The offeror's approach to engage small business and its approach towards achieving the DOE Small Disadvantaged Business Participation Program targets will also be rated.

**(c) KEY PERSONNEL** (Evaluated based on written proposal and oral presentation)

Written Information:

The offeror will be evaluated on the Key Personnel it proposes and considers to be essential to the successful accomplishment of the work being performed under the contract(s). The Key Personnel will be evaluated for demonstrated leadership; demonstrated experience in performing work similar in size and complexity to the SOW; and qualifications (e.g. education, certifications, licenses) as presented in the resumes. The offeror will be evaluated on its designation of Key Personnel positions relative to the approach to the management and execution of the work proposed by the offeror. DOE will evaluate the rationale and selection of the Key Personnel. The evaluation will also include an assessment as to whether the offeror has proposed the appropriate Key Personnel team, with the appropriate mix of Key Personnel positions

and skills for successful performance.

Failure to submit resume formats as shown in Attachment L-1 and Commitment Statements for Key Personnel for a minimum of two years from Notice to Proceed may result in a lower rating.

Oral Presentation:

The DOE will evaluate the Key Personnel's understanding and performance in their respective positions, and as members of the offeror's management team, from information provided during oral presentations, observation of Key Personnel during oral presentations and response to the problem-solving exercise. Specifically, DOE will evaluate and assess:

- The offeror's Key Personnel based on the offeror's responses to the managerial problem and interview questions,
- DOE will consider whether the offeror's management team understands the management challenges posed by the problem and interview questions,
- DOE will evaluate the observed interaction and participation of the offeror's Key Personnel in responding to the problem as an integrated management team,
- The viability of the offeror's responses, and
- The quality and effectiveness of communicating the responses.

**(d) PAST PERFORMANCE** (Evaluated based on written proposal and other sources)

DOE will evaluate past performance for the offeror and its major subcontractors proposed to perform subcontracts of \$10 million dollars or more on the basis of information furnished by its customers (three contracts or projects that are currently being performed or have been performed within the past five years). The DOE will evaluate the offeror's past performance as reported on prior relevant contracts, with emphasis on cost control and adherence to schedules. The DOE will also consider the offeror's written discussion of past performance problems and the corrective actions taken to resolve those problems.

DOE will evaluate the quality of the offeror's (including proposed subcontractors and other performing entities) past performance to determine the degree to which the past performance, including Environment, Safety, Health & Quality (ESH& Q), demonstrates the offeror's ability to successfully perform the Statement of Work. DOE will evaluate the offeror's past performance in meeting subcontractor's goals for small business.

DOE will also evaluate information regarding past performance (if obtained) from independent data as well as data provided by offerors. If an offeror is a newly formed entity the past performance of the offeror's parent organization or LLC members will

be evaluated.

DOE will review all information submitted and may contact some or all of the contract references provided by the offeror. At the CO's discretion, the DOE may choose to consider questionnaires that arrive subsequent to the closing date of the RFP if such consideration does not unduly delay the evaluation.

In the case of an offeror without a record of relevant past performance, it will be evaluated neither favorably nor unfavorably.

## **M.5 COST AND FEE EVALUATION CRITERIA**

DOE will evaluate each offeror's proposed cost for realism, reasonableness and completeness. The evaluation of cost realism includes an analysis of specific elements of each offeror's proposed cost to determine whether the proposed estimated cost elements are realistic for the work to be performed; reflect a clear understanding of the requirements; and are consistent with the methods of performance and materials described in the offeror's Technical Proposal. The evaluation of cost reasonableness includes those considerations described in FAR subpart 31.2. Evaluated price is the Government-determined probable cost for the transition, basic term of the contract and options plus the proposed total available award fee.

The total maximum award fee shall not exceed 10% of the estimated cost, excluding transition cost. Offerors that propose an award fee greater than the limit specified in Section B may be deemed ineligible for award.

Based on its review, DOE will determine a probable cost to the Government. The DOE will evaluate each offeror's proposed award fee for reasonableness. The probable cost and proposed total available award fee will be combined to arrive at a price for evaluation purposes. The probable cost will be determined based on the offeror's Cost and Fee Proposal and any upward or downward adjustments required from the evaluation of reasonableness, realism, and completeness.

The offeror has the responsibility to fully document its Cost and Fee Proposal and provide clear traceability to the proposed WBS. DOE may adjust evaluated price as part of its cost realism analysis if the offeror does not adequately provide this documentation and traceability.

## **M.6 FAR 52.217-5 EVALUATION OF OPTIONS (JULY 1990)**

Except when it is determined in accordance with FAR 17.206(b) not to be in the Government's best interests, the Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. Evaluation of options will not obligate the Government to exercise the option(s).